

# MINNESOTA • REVENUE

## PROPERTY TAX

**TIF; increment expenditure permitted  
time increased**

March 14, 2014

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 2971 (Dorholt) / S.F. 2594 (Rest) as introduced

Property tax section effective for taxes payable 2014 and thereafter.

### EXPLANATION OF THE BILL

Under current law, there is a five year time limit for activity to begin within a tax increment financing (TIF) district, beginning from the date of certification. The bill extends that limit to 8 years.

Effective for districts for which the request for certification was made after June 30, 2007.

### REVENUE ANALYSIS DETAIL

The proposed changes to the general TIF provisions may have an impact on the local tax base and tax rate in the future, and may result in a small change in property tax refunds paid by the state.

### PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral
<i>Efficiency &amp; Compliance</i>	Neutral
<i>Equity (Vertical &amp; Horizontal)</i>	Neutral
<i>Stability &amp; Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	Neutral

*The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.*

Source: Minnesota Department of Revenue  
Property Tax Division - Research Unit  
[www.revenue.state.mn.us/research\\_stats/  
pages/revenue-analyses.aspx](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

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